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**DETERMINANTS OF NON-COMPLIANCE  
BEHAVIOUR ON EXCISE DUTY IN MALAYSIA**

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**DOCTOR OF PHILOSOPHY  
UNIVERSITI UTARA MALAYSIA  
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**DETERMINANTS OF NON-COMPLIANCE BEHAVIOUR ON EXCISE  
DUTY IN MALAYSIA**

**By**



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**TUNKU PUTERI INTAN SAFINAZ  
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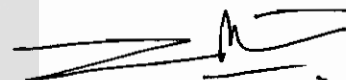
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## ABSTRACT

Statistical evidence shows that non-compliance with excise duty on cigarettes, liquor, and imported vehicles by importers is the key issue faced by the Royal Malaysian Customs Department (RMCD). However, studies in Malaysia rarely highlighted excise duty non-compliance. This study is the first attempt to examine the excise duty non-compliance determinants. It aimed at investigating the direct relationship between tax rate, penalty rate, tax audit, tax fairness, peer influence, tax knowledge, corruption and excise duty non-compliance. This study also considered the moderating effect of the probability of detection and tax agents. The Deterrence theory and the Fischer model were used to delineate the economic and socio-psychological factors. Data were gathered from 500 useable respondents scattered throughout Malaysia via a survey questionnaire using the disproportionate stratified random sampling technique. Findings from the partial least square analysis revealed that the  $R^2$  value achieved a substantial amount of variance of 63% for the direct effects on excise duty non-compliance, increased to 65% for the indirect effects of tax agent, and 66% for probability of detection. Further, tax audit, tax fairness, peer influence, tax knowledge and corruption were significantly and positively related to excise duty non-compliance. Moreover, the relationship of tax audit and tax fairness became weaker for individuals with a high level of probability of detection. On the other hand, the significant and positive relationship of tax knowledge and excise duty non-compliance became stronger for individuals with a high level of probability of detection. However, the significant and negative relationship between penalty rate and excise duty non-compliance was weaker for individuals with high-level influence of the tax agent. This study contributes to the indirect tax non-compliance literature and policy-makers.

**Keywords:** excise duty non-compliance, illegal trade, smuggling, importers.

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## ABSTRAK

Bukti statistik menunjukkan bahawa ketidakpatuhan duti eksais ke atas rokok, minuman keras, dan kenderaan yang diimport oleh pengimport adalah isu utama yang dihadapi oleh Jabatan Kastam Diraja Malaysia (JKDM). Walau bagaimanapun, kajian di Malaysia jarang mengetengahkan ketidakpatuhan duti eksais. Kajian ini adalah percubaan pertama untuk mengkaji penentu ketidakpatuhan duti eksais. Ia bertujuan untuk mengkaji hubungan langsung antara kadar cukai, kadar penalti, audit cukai, keadilan cukai, pengaruh rakan sebaya, pengetahuan cukai, rasuah, dengan ketidakpatuhan duti eksais. Kajian ini juga menyiasat kesan penyederhana kebarangkalian pengesanan dan ejen cukai. Teori pencegahan dan model Fischer telah digunakan untuk menggambarkan faktor-faktor ekonomi dan sosio-psikologi. Data dikumpulkan daripada 500 responden yang bertaburan di seluruh Malaysia melalui kajian soal selidik dengan menggunakan teknik persampelan rawak berstrata yang tidak seimbang. Dapatan daripada analisis *partial least square* mendedahkan bahawa nilai  $R^2$  mencapai sejumlah besar varians sebanyak 63% untuk kesan langsung terhadap ketidakpatuhan duti eksais dan meningkat kepada 65% bagi kesan tidak langsung ejen cukai dan 66% untuk kebarangkalian pengesanan. Di samping itu, audit cukai, keadilan cukai, pengaruh rakan sebaya, pengetahuan cukai, dan rasuah berkait secara signifikan dan positif dengan ketidakpatuhan duti eksais. Selain itu, hubungan audit cukai dan keadilan cukai menjadi lebih lemah untuk individu yang mempunyai tahap kebarangkalian pengesanan yang tinggi. Sebaliknya, hubungan yang signifikan dan positif antara pengetahuan cukai dan ketidakpatuhan duti eksais menjadi lebih kuat untuk individu yang mempunyai tahap kebarangkalian pengesanan yang tinggi. Walau bagaimanapun, hubungan yang signifikan dan negatif antara kadar penalti dan ketidakpatuhan duti eksais menjadi lemah untuk individu yang mempunyai pengaruh ejen cukai yang tinggi. Kajian ini menyumbang kepada kajian ketidakpatuhan cukai tidak langsung dan penggubal dasar.

**Kata kunci:** ketidakpatuhan duti eksais, perdagangan haram, penyeludupan, pengimport

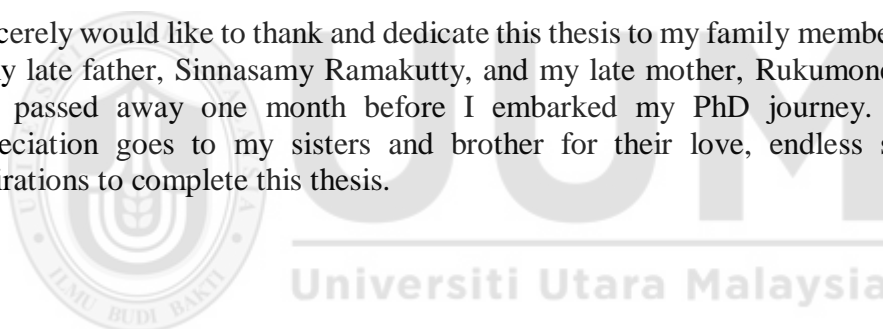


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## **CHAPTER ONE INTRODUCTION**

### **1.1 Introduction**

Tax non-compliance is a complex phenomenon. Most of past researchers in taxation conducted extensive work on taxpayers' behaviour to establish the relationship between economic and non-economic factors in complying with direct taxes (Teik & Meng, 2011). However, only a few studies had been carried out to examine the behaviour of taxpayers in tax non-compliance with indirect taxes despite the escalating cases (Bidin, Shamsudin, Shaliheen, & Mohd Zainudin, 2011). A number of theories to explain the determinants of tax non-compliance behaviour exist, and one of which is deterrence theory which proposes that the taxpayers' compliance level relies on the cost and benefit made in an uncertain situation based on economy factors (Becker, 1968). This theory mainly focuses on individual taxpayers; thus, it is not clear whether it is applicable to corporate taxpayers, especially importers (Mohd Yusof, Ming Ling, & Bee Wah, 2014). Therefore, this study employed deterrence theory associated with Fisher's model by considering economic and socio-psychological variables in determining non-compliance behaviour among importers as taxpayers in the indirect tax context.

Identifying the determinants of tax non-compliance is important for tax administration in maximising tax collections and encouraging taxpayers' compliance. This study examined whether tax rate, penalty rate, tax audit, tax fairness, peer influence, tax knowledge, and corruption as a predictor variables that influence non-compliance behaviour of importers in excise duty (import). The excise duty in this study involved commodities such as cigarettes, liquor, and imported vehicles. This study also

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## APPENDIX A

### Questionnaire

#### SECTION A: DEMOGRAPHIC BACKGROUND

##### BAHAGIAN A: MAKLUMAT DEMOGRAFI

In this section you are provided with questions related to your background. For each question, please tick (/) the answer that represents you.

(Dalam bahagian ini dibekalkan soalan yang berkaitan dengan latar belakang anda. Bagi setiap jawapan tandakan (/) yang mewakili diri anda)

1. Gender (*Jantina*)  
☐ Male (*Lelaki*) ☐ Female (*Perempuan*)
2. Race (*Bangsa*)  
☐ Malay (*Melayu*) ☐ Cina (*Chinese*) ☐ Indian (*India*)  
☐ Others (*Lain-lain*) Please Specify (*Sila nyatakan*)  
\_\_\_\_\_
3. Age (*Umur*)  
☐ 20 - 29 ☐ 30 - 39 ☐ 40 - 49 ☐ 50 - 59  
☐ 60 and above
4. Highest level of education (*Tahap Pengajian Tertinggi*)  
☐ SPM ☐ Diploma / STPM ☐ Degree (*Ijazah*)  
☐ Others (specify) \_\_\_\_\_  
(*Lain-lain, nyatakan*)
5. Nature of Goods Imported (*Jenis barangan yang diimport*)  
☐ Cigarettes (*Rokok*) ☐ Liquor (*Arak*) ☐ Import Vehicles (*Impot Kenderaan*)
6. Please state your current position in the firm (for example :Probationary Manager, Assistant Manager, Manager, Senior Manager, Partner, etc)  
(*Sila nyatakan jawatan anda sekarang di firma ( Contohnya :Pengurus Percubaan, Penolong Pengurus, Pengurus, Pengurus Kanan,Rakan Kongsi,dll).*)

**SECTION B: EXCISE DUTY NON-COMPLIANCE**  
**BAHAGIAN B: KETIDAKPATUHAN DUTI EKS AIS**

Please read the following statements or questions and respond by circling the number that best describes your opinion. 1, indicates that you are extremely unlikely to perform the behaviour, whereas 7, indicates that it is likely that you will perform the behaviour.

*Sila baca pernyataan atau soalan seperti di bawah dan jawab dengan cara membulatkan nombor yang menyatakan pendapat anda. 1 menunjukkan anda sangat tidak setuju untuk bertindak mengikut sikap tersebut manakala, 7 menunjukkan anda sangat bersetuju bertindak mengikut sikap tersebut.*

Strongly Disagree (Sangat Tidak Bersetuju)							Strongly Agree (Sangat Setuju)
1	2	3	4	5	6	7	

EXCISE DUTY NON-COMPLIANCE								
1.	I pay excise duty as required by the Excise Regulations because of a sense of responsibility. <i>(Saya membayar duti eksais seperti yang dikehendaki dalam Peraturan-peraturan Eksais kerana rasa tanggungjawab).</i>	1	2	3	4	5	6	7
2.	It is <b>NOT</b> everyone's responsibility to pay the correct amount of excise duty. <i>(<b>BUKAN</b> menjadi tanggungjawab semua orang untuk membayar jumlah duti eksais yang betul).</i>	1	2	3	4	5	6	7
3.	I am paying excise duty as required by the Excise Regulations because I do not know exactly how to evade these taxes. <i>(Saya membayar duti eksais berdasarkan Peraturan-peraturan Eksais kerana saya tidak tahu bagaimana caranya untuk mengelak cukai-cukai ini).</i>	1	2	3	4	5	6	7
4.	There is no problem in under declaring the value of goods in Customs declaration. <i>(Adalah tidak menjadi masalah jika membuat pengikraran dengan merendahkan nilai barangan dalam pengikraran Kastam).</i>	1	2	3	4	5	6	7
5.	I pay my excise duty as required by Excise Regulations after considering into how I could legally save taxes. <i>(Saya membayar duti eksais seperti yang dikehendaki oleh Peraturan-peraturan Eksais selepas mengambil kira cara untuk menjimatkan cukai selaras dengan undang-undang).</i>	1	2	3	4	5	6	7
6.	If everyone paid the correct amount of excise duty we would receive better public facilities. <i>(Jika semua orang membayar duti eksais yang betul, kita akan menerima kemudahan awam yang lebih baik).</i>	1	2	3	4	5	6	7
7.	I ensure the excise duty declarations are correct because I fear that my reputation would be ruined if I were to get caught for not following the Excise Regulations. <i>(Saya memastikan pengikraran duti eksais dibuat dengan betul kerana saya bimbang nama baik saya akan tercemar jika saya ditangkap kerana tidak mengikut Peraturan-Peraturan Eksais).</i>	1	2	3	4	5	6	7

8.	Under-reporting the excise duty declaration is not ethical for me. (Pengikraran dengan merendahkan nilai dalam pengikraran duti eksais adalah tidak beretika bagi saya).	1	2	3	4	5	6	7
9.	I will attend a course which informs me about the current possibilities for reducing tax. (Saya akan menghadiri kursus yang memberi tunjuk ajar mengenai kecenderungan mengurangkakan cukai).	1	2	3	4	5	6	7

**SECTION C: TAX SYSTEM STRUCTURE**  
**BAHAGIAN C: STRUKTUR SISTEM CUKAI**

Strongly Disagree (Sangat Tidak Bersetuju)							Strongly Agree (Sangat Setuju)
1	2	3	4	5	6	7	

	<b>TAX RATE / KADAR CUKAI</b>							
1.	The current tax rates imposed for cigarettes, liquor and imported vehicles are too high. So it is not really cheating when you find ways to pay less tax than you suppose to. (Kadar cukai semasa yang dikenakan keatas rokok, arak dan kenderaan import adalah sangat tinggi. Maka tidak menjadi penipuan jika dapat mencari jalan untuk kurang bayar cukai dari yang sepatutnya).	1	2	3	4	5	6	7
2.	The amount of excise duty paid are too high for cigarettes, liquor and imported vehicles. (Amaun duti eksais yang dibayar adalah sangat tinggi keatas rokok, arak dan kenderaan import).	1	2	3	4	5	6	7
3.	The higher the tax rate for cigarettes, liquor and imported vehicles, the higher the price will be. (Semakin tinggi kadar cukai bagi rokok, minuman keras dan kenderaan diimport, semakin tinggi harga akan naik).	1	2	3	4	5	6	7
4.	The high excise duty rates for cigarettes, liquor and imported vehicles will increase the cost for importation. (Kadar cukai yang tinggi keatas rokok, minuman keras dan kenderaan diimport akan menyebabkan peningkatan dalam kos pengimportan).	1	2	3	4	5	6	7
5.	The high excise duty rates imposed for cigarettes, liquor and imported vehicles motivates smuggling activities. (Kadar tinggi duti eksais yang dikenakan keatas rokok, arak dan kenderaan import mengalakkan berlakunya aktiviti penyeludupan).	1	2	3	4	5	6	7

PENALTY RATE / KADAR PENALTI								
	One of the importers X declared as electrical goods in Customs form. From the information received, 2 containers were detected as containing liquor but declared as electrical goods. The total amount of tax evaded was RM400 million. RMCD investigated him and penalised with a compound of RM10,000 and paid the total amount owed to RMCD. (Seorang pengimport X telah mengikrar dagangannya dalam borang kastam sebagai barangan elektrik. Hasil maklumat yang diterima, didapati 2 buah kontena berisi arak telah diikrar sebagai barangan elektrik. Jumlah cukai yang telah dielak adalah sejumlah RM400 juta. KDRM telah membuat siasatan dan mengenakan kompaun sebanyak RM10,000 dan membayar cukai yang terhutang kepada KDRM).							
1.	Importer X deserves the harsher punishment (Pengimport X patut menerima hukuman yang lebih berat.).	1	2	3	4	5	6	7
2.	X should be personally responsible for receiving the penalty. (X sepatutnya bertanggungjawab secara peribadi untuk menerima penalti).	1	2	3	4	5	6	7
3.	X knew the probable consequences of his / her evasion. (X menyedari akan akibat daripada mengelakkan cukai).	1	2	3	4	5	6	7
4.	X should ignore the penalty and take the risk of being caught and prosecuted in Court. (X sepatunya mengabaikan penalti dan menghadapi risiko ditangkap dan didakwa di Mahkamah).	1	2	3	4	5	6	7
5.	I pay taxes as required by the Excise Regulations because the punishments for tax evasion are very severe. (Saya membayar cukai sepertimana yang dikehendaki Peraturan-Peraturan Eksais kerana hukuman melarikan cukai adalah berat).	1	2	3	4	5	6	7
TAX AUDIT / AUDIT CUKAI								
1.	I pay taxes as required by the Excise Regulations because Customs Department often carries out tax audits. (Saya membayar cukai seperti yang dikehendaki oleh Peraturan-Peraturan Eksais kerana Jabatan Kastam kerap menjalankan audit).	1	2	3	4	5	6	7
2.	I accepted decisions made by Customs Auditors even if I disagreed with them. (Saya menerima keputusan yang dibuat oleh Juruaudit Kastam walaupun saya tidak bersetuju dengan mereka).	1	2	3	4	5	6	7
3.	The Audit findings are accurate and clear. (Penemuan Audit adalah tepat dan jelas).	1	2	3	4	5	6	7
4.	I am confident that the Customs Auditors will not reveal my confidential business information to others.	1	2	3	4	5	6	7

	(Saya yakin Juruaudit Kastam tidak akan mendedahkan maklumat sulit perniagaan saya pada orang lain).							
5.	Customs Auditors are more interested to find fault and penalised the company for the wrong doings, than helping the company to do the right things. (Juruaudit Kastam lebih berminat untuk mencari kesalahan dan menghukum syarikat bagi kesalahan yang dilakukan daripada membantu syarikat melakukan perkara yang betul).	1	2	3	4	5	6	7

#### SECTION D: ATTITUDE AND PERCEPTION

##### BAHAGIAN D: SIKAP DAN TANGGAPAN

Strongly Disagree ( <i>Sangat Tidak Bersetuju</i> )					Strongly Agree ( <i>Sangat Setuju</i> )	
1	2	3	4	5	6	7

TAX FAIRNESS / KEADILAN CUKAI								
1.	Generally, I feel that excise duty is fair tax. <i>(Pada umumnya, saya rasa duti eksais adalah adil).</i>	1	2	3	4	5	6	7
2.	I believe that excise duty tax system is a fair system that the government uses to collect revenue. <i>(Saya percaya bahawa sistem duti eksais adalah jenis sistem cukai yang adil, yang digunakan oleh Kerajaan untuk mengutip cukai).</i>	1	2	3	4	5	6	7
3.	From the excise duty that I paid, I get enough return in the form of public services. <i>(Daripada duti eksais yang saya bayar, saya mendapat pulangan yang baik dalam bentuk kemudahan awam).</i>	1	2	3	4	5	6	7
4.	Customs Officers tries to be fair when making their decisions on excise duty assessments. <i>(Pegawai Kastam cuba berlaku secara adil apabila membuat keputusan tentang taksiran duti eksais).</i>	1	2	3	4	5	6	7
5.	The Customs Officers respect the taxpayer's rights as a citizen. <i>(Pegawai Kastam menghormati hak-hak pembayar cukai sebagai warganegara).</i>	1	2	3	4	5	6	7
6.	The government is <b>NOT</b> being transparent in spending taxpayer's money. <i>(Kerajaan <b>TIDAK</b> bersikap telus dalam membelanjakan duit pembayar cukai).</i>	1	2	3	4	5	6	7
7.	I believe that the Malaysian government is spending public fund wisely. <i>(Saya percaya bahawa Kerajaan Malaysia membelanjakan dana awam secara berhemah).</i>	1	2	3	4	5	6	7



<b>PEER INFLUENCE / PENGARUH RAKAN SEBAYA</b>								
8.	Most people who are important to me think that I should declare all my imported goods accurately. (Kebanyakan orang yang mustahak kepada saya berpendapat bahawa saya sepatutnya membuat pengikraran dengan tepat kesemua barangan yang diimport).	1	2	3	4	5	6	7
9.	In general, I want to do what most people who are important to me think that I should do with regard to excise duty. (Pada amnya, Saya nak buat apa yang kebanyakan orang yang mustahak bagi saya berfikir apa yang sepatutnya saya buat berhubung dengan duti eksais).	1	2	3	4	5	6	7
10.	Most people who are important to me would not declare their goods accurately when importing goods. (Kebanyakan orang yang mustahak bagi saya tidak membuat pengikraran yang betul apabila mengimport barangan).	1	2	3	4	5	6	7
11.	I would be deterred from under-reporting if I believe that I will lose respect of most people who are important to me. Saya akan dihalang daripada membuat pengikraran, merendahkan nilai sekiranya saya percaya akan hilang rasa hormat dikalangan orang yang penting bagi saya).	1	2	3	4	5	6	7
12.	I usually make decisions to pay taxes based on my friends' experiences or suggestions. (Biasanya saya membuat keputusan untuk membayar cukai berdasarkan pengalaman atau cadangan kawan-kawan).	1	2	3	4	5	6	7

## SECTION E: TAX KNOWLEDGE

### BAHAGIAN E: PENGETAHUAN CUKAI

Strongly Disagree (Sangat Tidak Bersetuju)							Strongly Agree (Sangat Setuju)						
1	2	3	4	5	6	7							

1.	I am aware of the current tax rate of taxes imposed for the cigarettes, vehicles and liquor when doing importation. (Saya sedar tentang kadar cukai terkini yang dikenakan keatas rokok, kenderaan dan arak semasa membuat pengimportan).	1	2	3	4	5	6	7
2.	The license issued to the taxpayers' under Excise Act 1976 should be renewed yearly or every 2 years. (Lesen yang dikeluarkan dibawah Akta Eksais 1976 seharusnya diperbaharui setiap tahun atau 2 tahun sekali).	1	2	3	4	5	6	7
3.	In my opinion, I know all the procedures required for cigarettes, vehicles and liquor importation. (Pada pendapat saya, saya mengetahui segala prosedur yang diperlukan bagi pengimportan rokok, kenderaan dan arak).	1	2	3	4	5	6	7

4.	As far as I am concern, non-compliant taxpayers can be imprisoned if found guilty of evading tax. (Setakat yang saya tahu, pembayar cukai yang tidak mematuhi boleh dipenjarakan jika didapati bersalah mengelak cukai).	1	2	3	4	5	6	7
5.	Similar to other criminal offences, I believe that individuals can also be prosecuted for not complying with the Excise Act 1976. (Seperti kesalahan jenayah yang lain, saya percaya bahawa individu juga akan dihadapkan ke mahkamah jika tidak mematuhi Akta Eksais 1976).	1	2	3	4	5	6	7
6.	All imported goods will be seizure if there is reasonable cause that the goods were connected to offence that has been committed against the Excise Duty Act 1976. (Semua barang-barang yang diimport akan dirampas sekiranya ada alasan munasabah bahawa barang-barang tersebut bersabit dengan kesalahan yang telah dilakukan dibawah Akta Eksais 1976).	1	2	3	4	5	6	7
7.	Customs Officers can search without warrant in any premises and vehicles if they have reasonable cause to believe that goods are conceal or deposited goods therein against the Excise Act 1976. (Pegawai Kastam boleh menggeledah tanpa waran mana-mana premis atau kenderaan jika mempunyai sebab yang munasabah barang-barang disembunyikan atau disimpan bertentangan dengan Akta Eksais 1976).	1	2	3	4	5	6	7

## SECTION F: CORRUPTION

### BAHAGIAN F: RASUAH

Strongly Disagree (Sangat Tidak Bersetuju)	Universiti Utara Malaysia						Strongly Agree (Sangat Setuju)
1	2	3	4	5	6	7	

1.	Personal payments to Customs Officers are required to “get things done”. (Bayaran individu kepada pegawai-pegawai Kastam adalah diperlukan untuk “melaksanakan sesuatu perkara”).	1	2	3	4	5	6	7
2.	Businesses generally engage in various types of corruption in order to compete effectively. (Perniagaan biasanya terlibat dalam pelbagai jenis rasuah untuk bersaing dengan berkesan).	1	2	3	4	5	6	7
3.	Engaging in various types of corruption is a normal part of doing business in Malaysia. (Penglibatan dalam pelbagai jenis rasuah adalah perkara biasa dalam menjalankan perniagaan di Malaysia).	1	2	3	4	5	6	7
4.	Provide “gifts-in-kind” as a method for improving the responsiveness of Customs Officers.	1	2	3	4	5	6	7

	(Memberi “hadiah berupa barangan” adalah satu kaedah untuk meningkatkan reaksi bertindak Pegawai-pegawai Kastam).							
5.	Bribery to the Customs Officer is one of the most important considerations when doing importation business. (Rasuah adalah salah satu pertimbangan yang paling penting apabila menjalankan perniagaan impot).	1	2	3	4	5	6	7
6.	Engaging in corruption is one of the ways to get things done. (Penglibatan dalam rasuah adalah salah satu cara untuk melakukan sesuatu).	1	2	3	4	5	6	7
7.	Firms which <b><u>do not engage</u></b> in corruption will be at a competitive <b><u>disadvantage</u></b> compared to firms that do. (Firma-firma yang <b><u>tidak terlibat dalam rasuah</u></b> akan berada dalam situasi persaingan yang lemah berbanding dengan firma-firma yang terlibat dalam rasuah).	1	2	3	4	5	6	7
8.	Providing “commissions” is one of the, method for enhancing / maintaining your relationship with Customs Officers. (Memberi ‘komisen’ adalah salah satu kaedah untuk meningkatkan / mengekalkan hubungan anda dengan Pegawai-pegawai Kastam).	1	2	3	4	5	6	7

#### SECTION G: PROBABILITY OF DETECTION BAHAGIAN G: KEBARANGKALIAN PENGESANAN

Strongly Disagree (Sangat Tidak Bersetuju)							Strongly Agree (Sangat Setuju)
1	2	3	4	5	6	7	

1.	It is worth paying small tax penalties rather than paying the actual taxes because the likelihood of being caught is minimal. (Adakah berbaloi membayar penalti cukai yang rendah daripada membayar cukai sebenar kerana kemungkinan untuk ditangkap adalah minimum).	1	2	3	4	5	6	7
2.	The RMCD rarely finds out if someone has under-declared his tax by intentionally mis-classifying the tariff code to pay less excise duty. (KDRM jarang dapat mengesan mereka yang membuat pengikraran rendah cukai dengan sengaja menggunakan kod tarif yang salah untuk kurang bayar duti eksais).	1	2	3	4	5	6	7
3.	It is unlikely for taxpayers to be discovered and punished by the RMCD if they evaded excise duties. (Agak mustahil berkemungkinan pembayar cukai dikesan dan dihukum oleh KDRM jika mereka mengelak duti eksais).	1	2	3	4	5	6	7
4.	Customs Officers will detect if your firm has not kept the importation documents as required in the Excise Act 1967.	1	2	3	4	5	6	7

	(Pegawai Kastam akan dapat mengesan jika syarikat anda tidak menyimpan dokumen pengimportan mengikut keperluan Akta Eksais 1976).							
5.	I ensure the tax declaration is correct because there is a high probability that I may get caught if I did not follow the Excise Regulations. (Saya memastikan pengikraran cukai adalah betul kerana kebarangkalian untuk ditangkap adalah tinggi jika saya tidak mengikut Peraturan-peraturan Eksais).	1	2	3	4	5	6	7
6.	I believe that the probabilities of being detected by RMCD for not declaring the exact amount of taxes are low. (Saya percaya kemungkinan untuk dikesan oleh KDRM dalam membuat pengikraran cukai yang rendah adalah rendah).	1	2	3	4	5	6	7

## SECTION H: TAX AGENTS

### BAHAGIAN H: AGEN CUKAI

1. Did your company employ tax agents to handle tax matters'? (Tick the appropriate answer)

(Adakah syarikat anda melantik agen cukai untuk menguruskan hal-hal percukaian?) (Tandakan jawapan yang sesuai)

☐ Yes (Ya)

☐ No (Tidak)

If "No" please stop here. (Jika "Tidak" sila berhenti di sini)

If "Yes" please proceed to section H. (Jika "Ya" sila teruskan di bahagian H)

Strongly Disagree (Sangat Tidak Bersetuju)							Strongly Agree (Sangat Setuju)
1	2	3	4	5	6	7	

2.	My tax agent is a very honest person. (Agen cukai saya adalah orang yang sangat jujur).	1	2	3	4	5	6	7
3.	My tax agents helps me to interpret ambiguous or grey areas of the tax law in my favour. (Ejen cukai saya membantu mentafsir undang-undang cukai yang samar-samar bagi memihak saya).	1	2	3	4	5	6	7
4.	I have a tax agent who is clever in the way he / she arranges my affairs to minimize tax. (Saya mempunyai agen cukai yang pandai menguruskan hal-ehwal cukai untuk mengurangkannya).	1	2	3	4	5	6	7
5.	My tax agent has suggested complicated schemes that I could get into to avoid tax. (Agen cukai saya mencadangkan skim yang rumit bagi membolehkan saya mengelakkan cukai).	1	2	3	4	5	6	7

6.	My tax agent have good relationship with Customs Officers. (Agen cukai saya mempunyai hubungan yang baik dengan Pegawai Kastam).	1	2	3	4	5	6	7
7.	My tax agent is an agent authorized by RMCD. (Agen cukai saya adalah agen yang telah ditauliahkan oleh KDRM).	1	2	3	4	5	6	7
8.	My tax agent has attended and has pass the Customs Agent Basic Course conducted by RMCD. (Agen cukai saya telah menghadiri dan telah lulus Kursus Asas Agen Kastam yang diadakan oleh KDRM).	1	2	3	4	5	6	7
9.	My tax agent is aware of the Customs Regulatory requirements and is very compliant with them. (Agen cukai saya memang sedar akan keperluan Peraturan Perkastaman dan adalah seorang yang akur dengannya).	1	2	3	4	5	6	7



**UUM**  
Universiti Utara Malaysia

## APPENDIX B

### Data Collection Approval Letter From Universiti Utara Malaysia



OTHMAN YEOP ABDULLAH  
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KEDAH AMAN MAKMUR • BERSAMA MEMACU TRANSFORMASI

UUM/OYAGSB/K-14  
02 November 2015

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

#### LETTER FOR DATA COLLECTION AND RESEARCH WORK

This is to certify that **Perabavathi A/P Sinnasamy (Matric No: 900063)** is a bonafied student of Doctor of Philosophy (PhD), Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia. She is conducting a research entitled **"Determinants of Non-compliance Behaviour on Excise Duty"** under the supervision of Assoc. Prof. Dr. Zainol bin Bidin.

In this regard, I hope that you could kindly provide assistance and cooperation for her to successfully complete the research. All the information gathered will be strictly used for academic purposes only.

Your cooperation and assistance is very much appreciated.

Thank you.

"SCHOLARSHIP, VIRTUE, SERVICE"

Yours faithfully

ROZITA BINTI RAMLI

Assistant Registrar

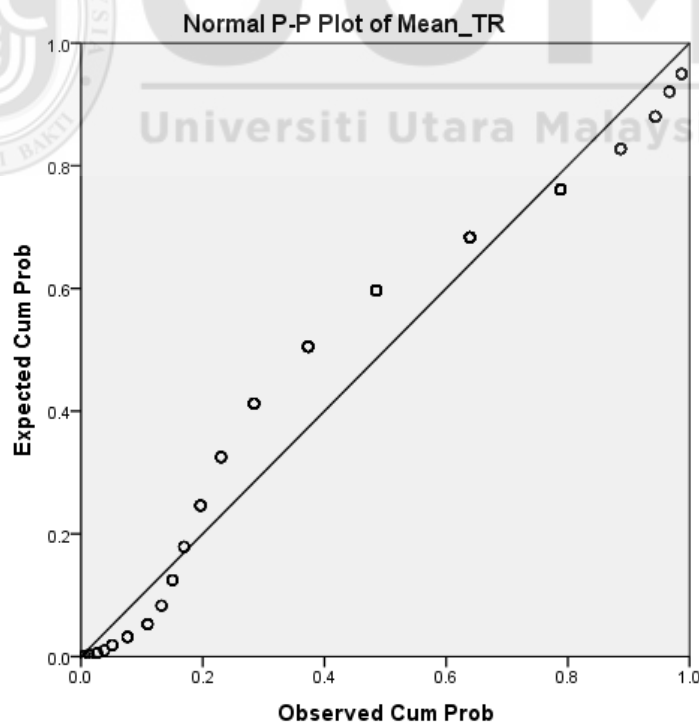
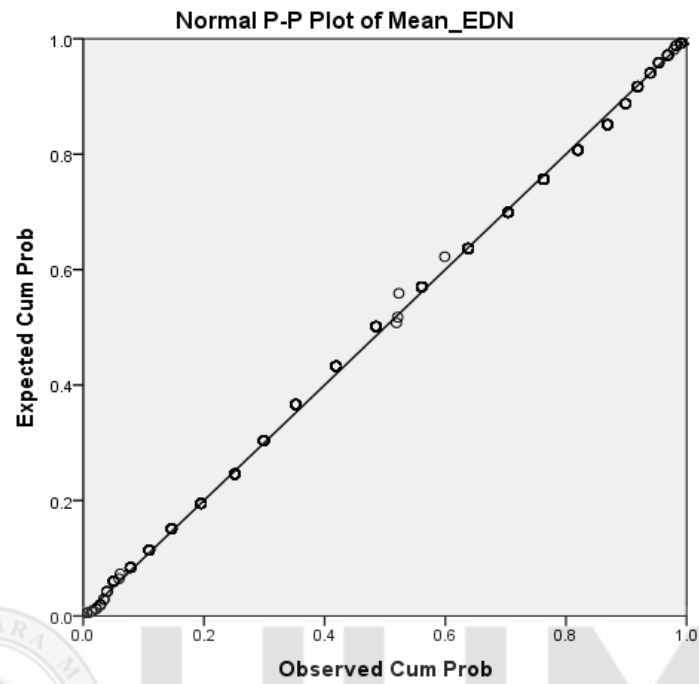
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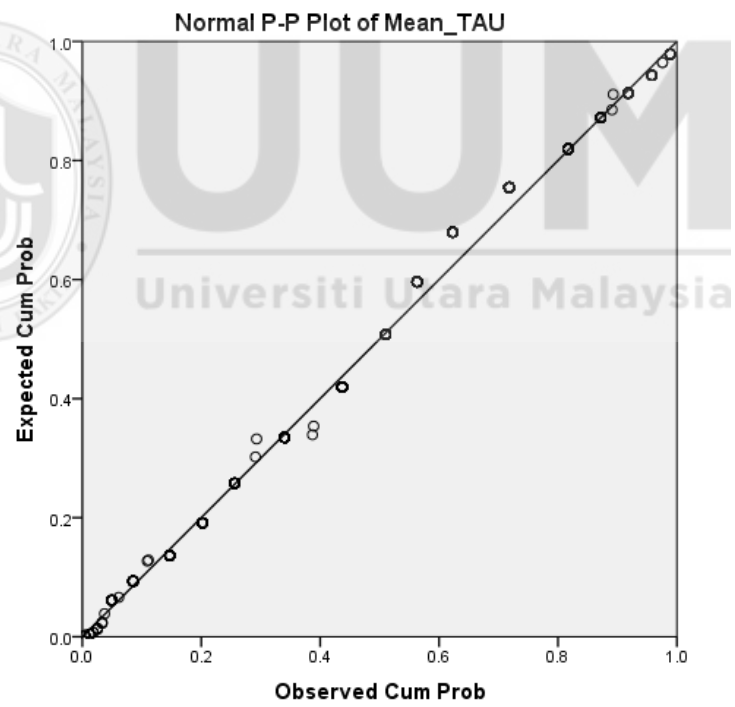
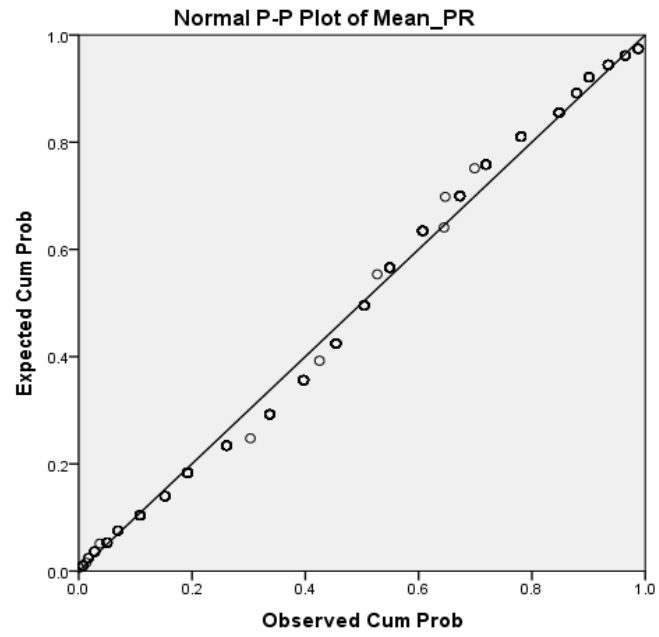
Othman Yeop Abdullah Graduate School of Business

c.c - Supervisor  
- Student's File (900063)

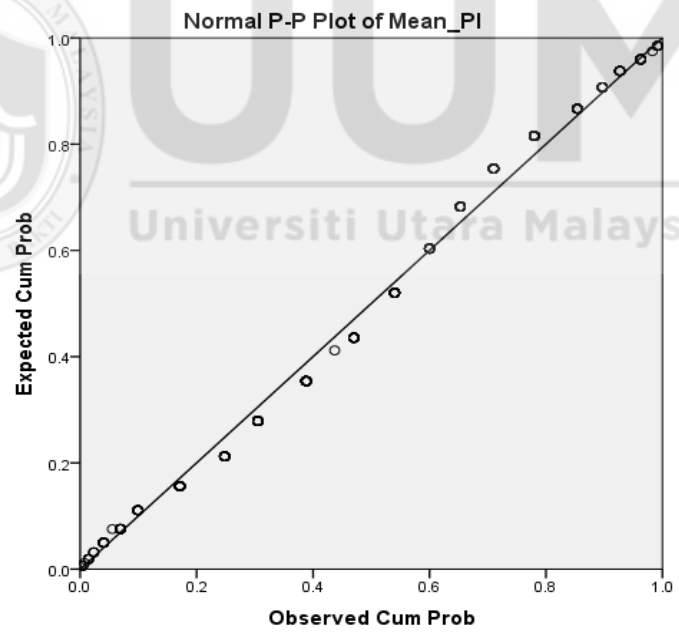
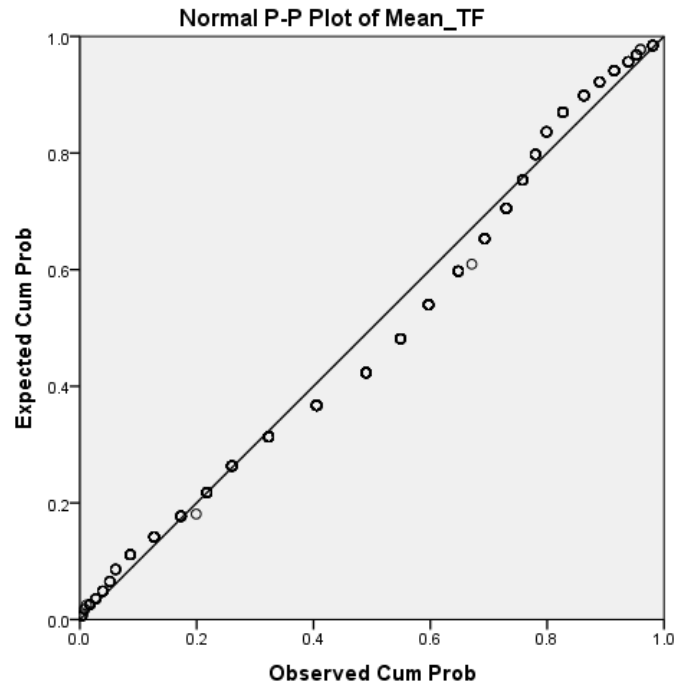


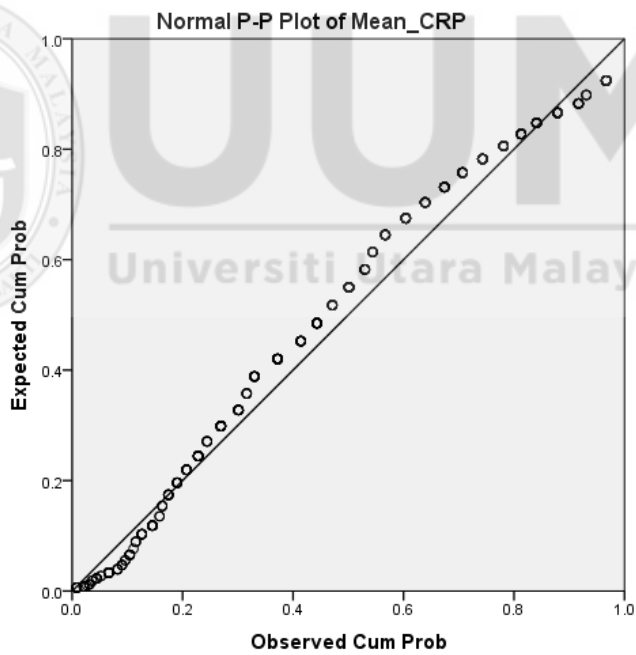
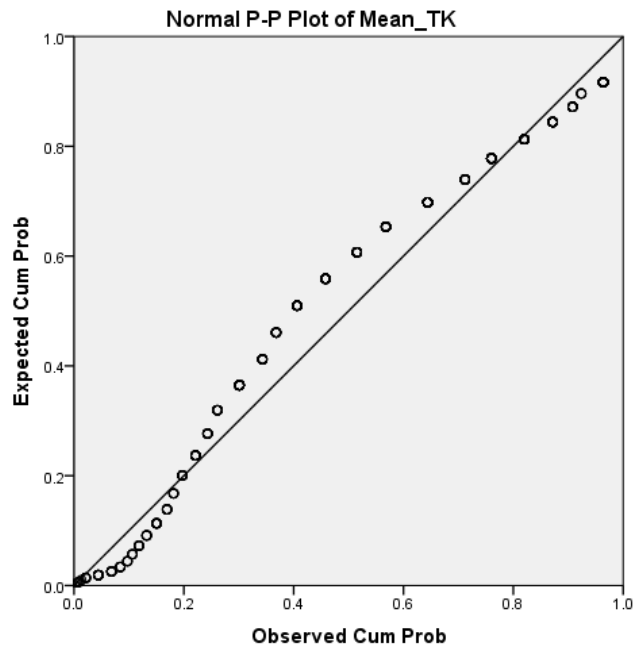
**APPENDIX C**  
**The Normal Probability Plot (Normal P-P Plots for All the Individual Variables)**

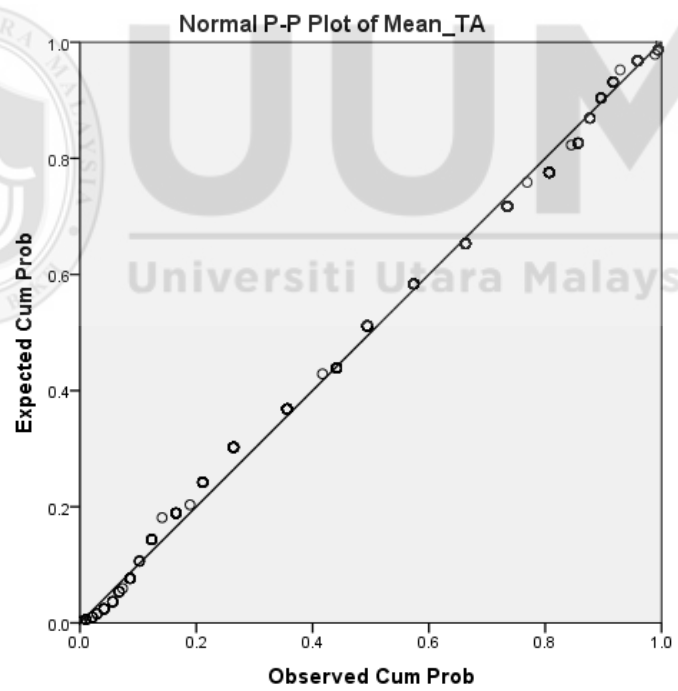
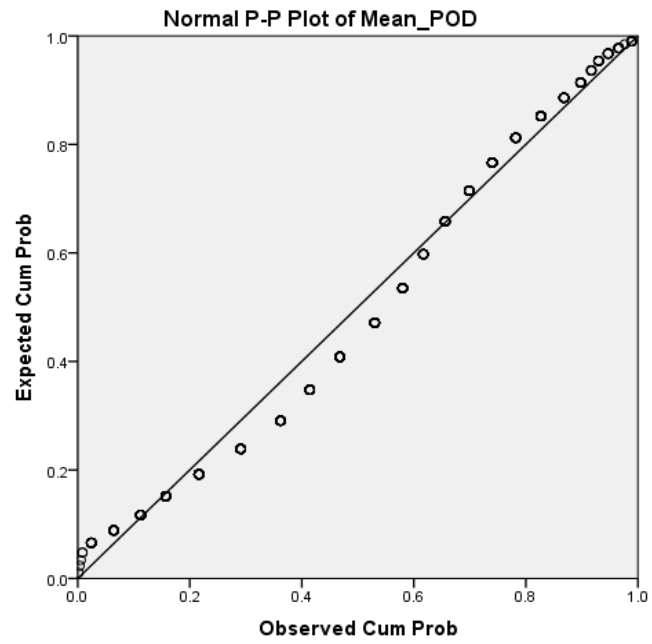












**APPENDIX D**  
**Path Coefficient Values for Probability of Detection Interaction Plot**

Hypothesized Effect	Path Coefficient ( $\beta$ Value)
CRP -> EDN	0.147
CRP1 -> EDN	0.015
PI -> EDN	0.130
PI1 -> EDN	0.009
POD -> EDN	0.160
PR -> EDN	0.035
PR1 -> EDN	-0.021
TA -> EDN	0.051
TAU -> EDN	0.180
TAU1 -> EDN	-0.075
TF -> EDN	0.074
TF1 -> EDN	-0.045
TK -> EDN	0.307
TK1 -> EDN	0.067
TR -> EDN	-0.040
TR1 -> EDN	0.004

**APPENDIX E**  
**Path Coefficient Values for Tax Agent Interaction Plot**

Hypothesized Effect	Path Coefficient ( $\beta$ Value)
CRP -> EDN	0.139
CRP2 -> EDN	-0.005
PI -> EDN	0.161
PI2 -> EDN	-0.061
POD -> EDN	0.134
PR -> EDN	0.065
PR2 -> EDN	-0.049
TA -> EDN	0.066
TAU -> EDN	0.244
TAU 2 -> EDN	-0.031
TF -> EDN	0.063
TF2 -> EDN	0.051
TK -> EDN	0.185
TK2 -> EDN	0.009
TR -> EDN	-0.036
TR2 -> EDN	-0.003